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1934 ONE HUNDRED AND SECOND ANNUAL REPORT



YEAR ENDED
DECEMBER 31, 1934

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1934
ONE HUNDRED
AND SECOND
ANNUAL REPORT



YEAR ENDED
DECEMBER 31, 1934

DIRECTORS

PHILIP R. ALLEN, E. Walpole, Mass.	JAMES GARFIELD, Cambridge, Mass.
ROGER AMORY, Boston, Mass.	ALDUS C. HIGGINS, Worcester, Mass.
LOUIS M. ATHERTON, Swampscott, Mass.	ERNEST M. HOPKINS, Hanover, N. H.
FRANK P. CARPENTER, Manchester, N. H.	LOUIS K. LIGGETT, Newton, Mass.
HUGH J. CHISHOLM, Portland, Maine	ROY L. PATRICK, Burlington, Vt.
WILLIAM DEXTER, Lancaster, Mass.	W. RODMAN PEABODY, Milton, Mass.
FAIRMAN R. DICK, New York, N. Y.	THOMAS N. PERKINS, Westwood, Mass.
HARRY H. DUDLEY, Concord, N. H.	WILLIAM B. SKELTON, Lewiston, Me.
REGINALD FOSTER, Manchester, Mass.	FREDERIC E. SNOW, Boston, Mass.
EDWARD S. FRENCH, Springfield, Vt.	J. DUNCAN UPHAM, Claremont, N. H.
WILLIAM D. WOOLSON, Springfield, Vt.	

OFFICERS

President and Chairman of Executive Committee	EDWARD S. FRENCH
Vice-President and Clerk of Corporation	ARTHUR B. NICHOLS
Vice-President — Finance and Accounting	W. S. TROWBRIDGE
Vice-President and General Manager	J. W. SMITH
Vice-President — Purchases and Stores	A. W. MUNSTER
Vice-President — Traffic	J. W. RIMMER
Treasurer	E. J. GALLAGHER
General Counsel	A. P. MACKINNON
Chief Engineer	W. J. BACKES



Transfer Agent in Boston for all classes of stock, Old Colony Trust Company, 17 Court Street, Boston, Massachusetts.

Transfer Agent in New York for common stock, Guaranty Trust Company, 140 Broadway, New York City.

To the Stockholders of Boston and Maine Railroad:

On behalf of the Board of Directors there is submitted herewith the report for the year ended December 31, 1934.

ROAD OPERATED

Steam mileage operated December 31, 1934 — 2,038.12; a decrease of 43.04 miles during the year. Operations were discontinued on Boston and Maine tracks from Hudson to Fremont, N. H. and Epping to West Gonic, N. H., 37.05 miles, the Belmont Branch 4.20 miles, and a portion of the Portsmouth and Dover Branch 1.70 miles or a total of 42.95 miles under authority of the Interstate Commerce Commission. There was a decrease of 0.09 miles due to track changes at Ayer, Mass.

INCOME ACCOUNT — CONDENSED

	1934	Increase or Decrease	Per cent
Operating Revenues.....	\$42,155,612 32	\$278,242 84	0.66
Operating Expenses.....	30,872,270 55	482,395 24	1.59
Net Revenue from Operation.....	\$11,283,341 77	\$204,152 40	1.78
Railway Tax Accruals.....	2,431,775 84	131,556 66	5.13
Uncollectible Revenues.....	30,605 12	29,222 63	—
Railway Operating Income	\$8,820,960 81	\$101,818 37	1.14
Equipment and Jt. Fac. Rents — Net Dr.....	1,927,446 21	72,982 16	3.94
Net Railway Operating Income.....	\$6,893,514 60	\$174,800 53	2.47
Other Income.....	1,030,145 15	52,567 40	4.86
Total Income.....	\$7,923,659 75	\$227,367 93	2.79
Deductions:			
Rental Payments.....	\$1,246,756 46	\$2,958 45	0.24
Interest on Debt.....	6,229,861 12	219,082 58	3.40
Other Deductions.....	153,549 68	22,751 33	17.39
Net Income.....	\$293,492 49	\$28,078 23	8.73
Income Applied to Sinking Funds.....	\$211,478 80	\$13,856 82	7.01
Balance.....	\$82,013 69	\$41,935 05	33.83

Italics indicate decrease.

OPERATING REVENUES

Freight Revenue was \$29,236,170.19, an increase of \$211,980.37, or 0.73%. Tons of freight carried during the year were 14,096,371, an increase of 935,410.

Passenger Revenue was \$6,762,793.52, an increase of \$167,651.10, or 2.54%. Number of Local and Commutation Passengers carried increased 278,530, or 1.87%. Number of Interline Passengers carried increased 46,362, or 6.93%.

Mail Revenue increased \$62,695.79, or 4.63%.

Express Revenue increased \$6,871.28, or 0.90%.

Milk Revenue decreased \$246,501.14 or 14.61%.

Other Transportation Revenue increased \$32,680.04, or 3.93%, of which \$4.47 was in Other Passenger Train, and \$20,872.95 in Switching Revenue, the Special Service Train Revenue decreased \$11,195.49.

Incidental Revenue shows an increase of \$36,505.18, or 2.40%, of which \$4,618.85 was in Dining and Buffet Service; \$19,436.99 in Station and Train Privileges; \$7,602.05 in Freight Storage; \$20,794.60 in Demurrage and \$15,843.60 in Grain Elevators. Rents of Buildings and Other Property decreased \$24,081.44.

(For detail of Income Account see pages 14 and 15.)

OPERATING EXPENSES

Expenses for Maintenance of Way and Structures increased \$349,814.67, reflecting additional cost account of higher level of wage rates during the last six months of 1934 and a generally higher price for material throughout the year due to N.R.A. Codes. A substantial program of roadway improvements made possible by a loan under the Public Works Act required expenses above normal for Roadway Machines, Small Tools and Supplies and Cross Ties, which could not be financed from the proceeds of the loan. Expenditures for removing snow and ice increased \$159,981.97 due to heavy snowfall during the first two months of the year.

Expenses for Maintenance of Equipment decreased \$742,971.34. Extensive repairs were made to locomotives, freight cars, and passenger cars during the first five months of the year, but commencing in June and continuing during the balance of the year repairs were limited to absolute needs for safety and to provide adequate service to the railroad's patrons. Heavy or classified repairs to locomotives were concentrated on the heavy power purchased in the more recent years in order to keep this efficient equipment in service, thereby producing economies.

Traffic Expenses increased \$12,107.41. The largest item of increase is expenditure for advertising due to an intensive campaign carried on throughout the year covering not only display in public places but notices placed in city and country newspapers covering snow trains, race track trains, weekend and other excursions as well as features such as air conditioned equipment, etc.

Transportation Expenses increased \$924,329.85. In spite of the fact that operating efficiency was at a high level throughout the year creating in some instances new records, costs as a whole were somewhat higher. Station, yard and train expenses began the year under the severe weather conditions that prevailed during the first quarter during which time the temperature for many days was lower than for any period on record at the local weather observatory. From July 1st wages which make up a large part of this group of expenses were increased by $2\frac{1}{2}\%$ and fuel costs increased \$431,577 due to an increase in consumption of 27,254 tons and an increase in price per ton of 46c or $12\frac{1}{2}\%$.

Miscellaneous Expenses increased \$14,354.10.

General Expenses decreased \$73,608.20.

(For detail of Operating Expenses see pages 16-18 inclusive.)

On July 1, 1934 the general wage reduction of 10% effective Feb. 1, 1932 was decreased to $7\frac{1}{2}\%$ and to 15% for General and Supervisory officers whose wage reduction was 20%.

Operating results are shown by the following tables of Operating Ratios and Freight Operating Efficiency Items.

OPERATING RATIOS

	1930	1931	1932	1933	1934
Maintenance of Way and Structures.....	16.84%	14.66%	12.21%	11.66%	12.42%
Maintenance of Equipment.....	14.74%	14.11%	15.47%	15.65%	13.79%
Traffic.....	1.56%	1.78%	1.89%	1.67%	1.69%
Transportation.....	36.07%	37.75%	38.34%	38.56%	40.48%
Miscellaneous Operations.....	.43%	.38%	.31%	.22%	.25%
General.....	3.78%	4.39%	4.85%	4.81%	4.60%
Railway Operating Expenses.....	73.42%	73.07%	73.07%	72.57%	73.23%

OPERATING EFFICIENCY — FREIGHT

	1930	1931	1932	1933	1934
Average net tons per train.....	671	645	608	644	681
Average car speed per day.....	27.4	26.2	22.3	22.6	25.2
Gross Tons per train.....	1,768	1,764	1,692	1,776	1,830
Gross Ton Miles per train hour.....	21,993	22,597	23,031	24,676	25,259
Pounds coal per 1000 Gross Ton Miles.....	109	111	109	107	109
Net Ton Miles per car day.....	378	343	287	297	349

RAILWAY TAX ACCRUALS

Tax Accruals for the year 1934 decreased \$131,556.66. Of this amount \$53,663.53 represents net decrease of city and town tax accruals, of which \$23,127.27 was due to change in accounting ordered by the Interstate Commerce Commission whereby taxes on property not used in transportation must be charged to Miscellaneous Tax Accruals instead of Railway Tax Accruals, and \$30,536.26 was the result of reduction in property valuation after giving effect to over \$90,000 increase in such taxes due to increases in tax rates. Federal and State tax accruals decreased \$77,893.13 due to reduction in stock and property valuation and decrease in taxable income after giving effect to \$55,000 increase in such taxes due to increases in tax rates.

EQUIPMENT AND JOINT FACILITY RENTS

Equipment Rents decreased \$30,724.12. Charge for operating deficiency under Pullman Company Contract was \$67,111.00 less than 1933. The average number of freight cars on line daily for 1934 showed a reduction to 15,423 against a daily average of 16,480 in 1933 which was offset by an increase of \$79,778 in mileage payments to private car owners and payment of \$16,500 in special reclaim account of coal cars held at mines during "shut down." Rents received from use of passenger cars and locomotives increased \$50,675 while rents paid for use of passenger cars decreased \$12,800.

Joint Facility Rents increased \$103,706.28 resulting from increase in charges from the Portland Terminal Company and the inclusion in 1933 accounts of a credit from additional rental bills for use of facilities Brattleboro to White River Junction.

OTHER INCOME

Miscellaneous Rent Income decreased \$14,204.84 as a result of a decrease in rental collections based on the use of facilities.

Dividend income increased \$39,868 as a result of dividends received from subsidiaries, no similar credit in 1933.

Income from unfunded securities and accounts decreased \$94,551.36 by reason of credit of \$109,513.75 for interest on Federal income tax refund included in 1933 accounts, no similar credit in 1934, and a decrease in interest on bank deposits of \$5,307.49 offset in part by a credit of \$28,635.24 for interest during construction.

DEDUCTIONS FROM GROSS INCOME

Miscellaneous tax accruals increased \$23,127.27 due to change in accounting ordered by the Interstate Commerce Commission whereby taxes on property not used in transportation must be charged to Miscellaneous Tax Accruals and not Railway Tax Accruals.

Interest on unfunded debt decreased \$49,476.85 account of reduction in interest rate on short term notes which was partly offset by interest payments account of back Federal taxes on leased roads.

Interest on funded debt decreased \$169,605.73 due to bonds matured, installments paid on equipment trust notes and payments on equipment contracts.

NET INCOME

Net Income after all charges was \$293,492.49. While operating revenues for the year increased \$278,242.84 and operating expenses increased \$482,395.24 the decrease in net income was but \$28,078.23.

FEDERAL VALUATION

By an order of the Interstate Commerce Commission dated July 12, 1930 received February 13, 1931, the final value for rate making purposes of the Boston and Maine System (excluding the St. Johnsbury & Lake Champlain Railroad and the Montpelier & Wells River Railroad) is fixed at \$230,897,118 as of June 30, 1914. This value brought up to date by adding the net Additions and Betterments since June 30, 1914 makes the value December 31, 1934 \$308,358,407. This does not include value of non-carrier property.

CAPITAL STOCK

The number of shares of Capital Stock of all classes outstanding December 31, 1934, including full-paid negotiable receipts for subscriptions to Prior Preference Stock was 1,046,113 shares, of a par value of \$104,611,300.

Beginning January 1, 1934 and until January 1, 1940, holders of this Company's bonds of Series Q to GG inclusive have the right to exchange such bonds without limit for Prior Preference stock dollar for dollar in amounts of \$500 and multiples thereof.

CHANGES IN FUNDED DEBT

Funded Debt on December 31, 1934 amounted to \$149,915,251.14, an increase of \$3,276,716.69 since December 31, 1933.

New Issues:

B. & M. R.R. Series KK 5% Bonds due Mar. 1, 1952	**	\$705,000 00
B & M R.R. Series LL 6% Bonds due June 1, 1962	**	1,175,000 00
B. & M. R.R. Equipment Trust No. 6, 4% Trust Certificates dated July 1, 1934.....		575,000 00
B. & M. R.R. Collateral Notes Series A dated Apr. 3, 1934.....		910,000 00
B. & M. R.R. Collateral Notes Series-B dated May 3, 1934		2,230,000 00
B. & M. R.R. Collateral Notes Series C dated Aug. 30, 1934		1,550,000 00
Contract—New York State E.G.C. Melrose, N.Y.....		6,516 80
Contract—New York State E.G.C. Pittstown, N.Y.....		55,426 82

Total Increase..... \$7,206,943 62

**Deposited as collateral for loans. All owned by Railroad.

Matured Funded Debt Paid Off:

Fitchburg R.R. 5% Bonds due Jan. 1, 1934.....	\$1,872,000 00
W. N. & R. R.R. 4% Bonds due Oct. 1, 1934.....	380,000 00
Equipment Trust of 1920 6% Gold Notes due Jan. 15, 1934.....	454,200 00
Equipment Trust of 1922 5½% Gold Certificates due Aug. 1, 1934	121,000 00
Equipment Trust No. 3, 6% Gold Certificates due June 1, 1934	141,000 00
Equipment Trust No. 4, 4½% Gold Certificates due Apr. 1, 1934	125,000 00
Equipment Trust No. 5, 5% Gold Certificates due May 1, 1934.....	114,000 00
Contract—Standard Steel Car Company.....	647,172 78
Contract—Pullman Car & Mfg. Corp.....	74,532 86
Contract—New York State E.G.C. Hoosick, N.Y.....	1,096 61
Contract—New York State E.G.C. Glenville, N.Y.....	224 68

Total Decrease..... \$3,930,226 93

Net Increase, as above..... \$3,276,716 69

CHANGES IN UNFUNDED DEBT

Short term loans decreased during the year \$201,579.96, which decrease was due to liquidating distributions equivalent to 18% received from the Railroad Credit Corporation to apply against the net contributed fund under the Marshalling and Distributing Plan of 1931. The total amount of short term loans unpaid at the close of the year was \$13,610,714.15. Collateral deposited as security for these loans is \$7,500,000, Series KK, 5% Bonds; \$17,500,000, Series LL, 6% Bonds.

FREIGHT TRAFFIC

Freight revenue for 1934 was \$29,236,170.19, an increase over that of 1933 of \$211,980.37, or 0.7%, the first increase in this class of revenue since 1929.

Pick-up-and-delivery service, introduced by your company in 1932, continues to show good results, and your management feels that its inauguration as a component part of a completely coordinated railroad freight service has been fully justified in this territory. Up to date it has proved effective in halting the increasingly serious loss of freight from the rails to the highways. In the latter part of 1933 the Motor Truck Club of Massachusetts, an association of truck operators, complained to the Interstate Commerce Commission that the Boston and Maine's pick-up-and-delivery service was harmful to the trucking interests, and that the service was being improperly conducted. After a hearing, at which the Railroad's position was endorsed by such organizations as the Boston Chamber of Commerce and the Associated Industries of Massachusetts, the Commission, on December 11, 1934, rendered its decision, in which it found that not only was the service being properly conducted by the Railroad, but that it should be encouraged.

As of the date of this report there is still pending before the Commission an application by the railroads of the country (Ex Parte 115) for an increase in freight rates, which it is estimated will produce for the railroads as a whole \$170,000,000 additional revenue per year.

PASSENGER TRAFFIC

In 1934, for the first time since 1923, passenger revenue showed an increase over the preceding year. Gross revenue of \$6,762,793.52 represented a 2.5% increase over 1933. While it is undoubtedly true that severe cold, and stormy weather conditions, in the early part of the year, had their effect in discouraging travel by highway and bringing many passengers to the railroad, it is likewise true that other factors were of considerable assistance in increasing our passenger revenues.

During the year a number of experiments in reduced passenger fares for evening, week-end and holiday travel were helpful in maintaining our passenger traffic and in developing new business. Air-conditioning of Pullman and coach equipment, and the speeding up of schedules, have also been helpful. Our week-end and Sunday Snow Trains have been the subject of favorable comment in many parts of the country, and their contribution to wholesome, healthful, out-door activities has been recognized. As this report goes to press we are about to put into service a new 600 HP Diesel-electric, streamline, stainless steel, articulated unit, capable of a speed of 110 miles per hour, with a capacity of 144 passengers. This is the first unit of its type to be put in service on any eastern railroad, and the public interest that has already been aroused, plus its low-cost operation, should make this unit a profitable investment.

While more milk and cream was transported in 1934 than in 1933, because of lower rates and the increased use of tank cars permitting consolidation of carload shipments, milk revenue decreased 14.6% from the similar 1933 revenue.

WATERBORNE TRAFFIC

In 1934, 563 vessels, other than coal carriers, docked at our Hoosac and Mystic piers in Boston. The tonnage handled was slightly in excess of that of 1933. The tonnage of commercial coal handled at the Railroad's discharging plant at Mystic Wharf decreased slightly in comparison with that of 1933. Export grain was practically eliminated in 1934, but during the year a new tonnage of grain from the Pacific Coast was developed, amounting to nearly a million bushels, from which we derived some revenue.

OPERATING RESULTS

Previous annual reports have called attention to the steady and consistent improvement in operating efficiency figures during the last ten years. For the year 1934 another new record of freight train efficiency, as defined by Gross Ton Miles Per Train Hour, was established. Heavier freight train loading, greater speed, and more efficient utilization of locomotives, have all had a part in improving freight train performance. The fact that the eastbound movement of freight traffic over the lines of the Boston and Maine is about three times that of westbound, makes this improvement in operating efficiency the more noteworthy. The ratio of locomotive miles to train miles was about 10% less in 1934 than it was in 1928, which means that 10% less locomotives were required to handle the 1934 business than were required to handle a similar tonnage in 1928.

BORROWINGS

Early in 1934, in response to the request of various public authorities that railroads and other large employers of labor should provide all the work possible as an aid to public relief, and to stimulate business recovery, your company made application to the Federal Government, through the Federal Emergency Administration of Public Works, for several loans, the proceeds to be used for maintenance and improvement of roadway and rolling stock equipment and for the purchase of new rolling stock equipment. In view of the fact that the major portion of these expenditures was made in anticipation of future maintenance, the Interstate Commerce Commission has authorized the Railroad to spread over a period of six years beginning January 1, 1934, the part of the expenditures chargeable to operating expenses. These loans comprised:

1. \$910,000 for repairs to

25 locomotives
174 box cars
644 coal cars
80 passenger coaches;

for air-conditioning

4 dining cars
6 de-luxe coaches;

for new seats in

10 steel coaches;

and for

Miscellaneous repairs to stations and other structures.

2. \$2,230,000 for purchase and installation of
30,000 tons of new 131-pound and 112-pound
rail and fastenings therefor.

3. \$1,550,000 for installation of

- 8,000 tons of relay rail and fastenings
- 32 single track miles of stone ballast on main lines
- 170 single track miles of main line resurfacing, previously stone ballasted
- New signals on Terminal and Fitchburg Divisions, including consolidation in 5 signal towers of the operations formerly handled in 13 signal towers
- New type of color-light signals, correcting signal aspects, and modernizing the operation of switch and signal interlocking plants.

4. \$2,628,000 for the purchase of new rolling stock equipment, consisting of

- 2 Diesel-electric switchers
- 2 Diesel-electric rail car units for road use
- 5 Pacific-type heavy passenger locomotives
- 5 Mountain-type locomotives for use in both passenger and freight service
- 10 84-passenger de luxe steel coaches
- 21 96-passenger steel coaches for use in suburban service
- 1 Diesel-electric articulated, streamline, 144-passenger unit for high-speed through service.

The first three loans aggregating \$4,690,000 will bear interest at the rate of 4% per annum, such interest to begin at the end of the first year and the principal to be paid serially in semi-annual installments over a period of 10 years.

The fourth loan of \$2,628,000 for the purchase of rolling stock equipment is secured by an issue of equipment trust certificates bearing no interest the first year and at the rate of 4% per annum thereafter, payable serially over a period of 15 years.

The first unit of the new rolling stock to be received was one of the Diesel-electric switchers, which has been operated satisfactorily 24 hours a day, 6 days in the week. Its worth has been demonstrated. The only other equipment to be received during the year were the five Pacific-type locomotives, which are being operated in road service, handling heavy passenger, milk and express trains.

INDUSTRIAL & AGRICULTURAL BUREAU

The Industrial Bureau has been successful in locating on our lines during the year a number of commercial and manufacturing concerns, including some of substantial size.

Storage warehouse space, particularly in Greater Boston, has been in increasing demand, resulting in the renting of all freight houses not required for railroad purposes. Several properties not owned by the Railroad, but located on our lines, also have been rented as warehouses.

The Agricultural Bureau has continued to cooperate with Federal and State Departments, Agricultural Colleges, Granges and Farm Bureaus.

ADDITIONS AND BETTERMENTS

10,000 tons of new 131 pound rail and 20,000 tons of new 112 pound rail were bought during the year and substantially all was laid in track before December 31st.

Stone ballast was substituted for gravel ballast on 27.4 single track miles. 166.8 single track miles of stone ballast were completely resurfaced.

Signal improvements included the consolidation of signal and switch control on the Boston Terminal in two towers in place of six and at Beverly and Salem, Mass., in one tower, in place of three. At Ayer, Mass., the operations formerly handled in two towers were combined in one for future operation. The tower at West Concord, Mass. and the ground levers at South Acton, Mass. were eliminated by substitution of remote control from Waltham Tower. At Gardner, Mass., the mechanical interlocking plant was replaced by electric interlocking connected with the centralized traffic control system.

Forty-eight additional track oilers were put in main line track at different locations to prolong the life of rail and reduce flange wear on locomotives.

4,830 tons of rip rap were placed at various locations in the Merrimack and Connecticut Rivers to protect against the erosion of right-of-way by high water.

Such work has been done as is necessary to maintain freighthouse and yard facilities in a satisfactorily usable condition.

BOSTON & MAINE TRANSPORTATION COMPANY

The operations of the Railroad's highway subsidiary for the year showed a profit of \$510.39 besides which there were advantages to the Railroad through economies resulting from substitutions of buses and trucks for unprofitable rail service.

Bus revenues showed a substantial increase over recent years.

Transportation Company freight, and freight trucked for the Railroad, both were greater in volume than in the previous year.

Laws regulating in varying degrees the operation of trucks carrying freight for hire are now in effect in Massachusetts, Maine and New Hampshire. Amendments clarifying some of the provisions of the Maine regulatory law are being considered by the legislature now in session and, if adopted, will be an aid to the enforcement of the law. The legislature of Massachusetts at the 1934 session passed a new regulatory law which was effective June 7, 1934, and the referendum in the law passed in 1933 was dropped. A bill regulating the operation of trucks and buses in interstate commerce is pending in Congress.

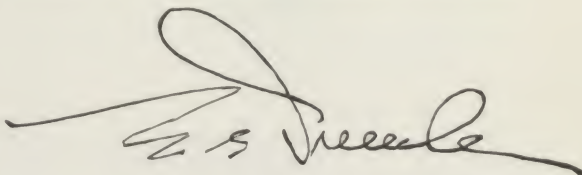
At the 1934 session the legislature of Massachusetts also passed a law relating to the cost of abolishing grade crossings, which provides that such cost shall be apportioned between the state, city or town, county and railroad in accordance with the benefits derived by each from the abolition. This is a recognition of the fact that the high fixed proportion of expenses heretofore placed upon the railroads is unfair. Under this law a very large proportion of the expense should be borne by the public as the real beneficiary.

The federal government also has recognized the fact that the abolition of grade crossings is a public matter. A considerable amount of federal funds has already been made available for abolition projects and this money can be used to meet all

construction and labor costs. Arrangements have been practically completed for the abolition by the State of Beaver Brook crossing at Waltham, Mass. by the use of such funds. There is every indication that a much larger amount will soon be assigned by the federal government for abolition projects, and it is anticipated that a considerable number of crossings on our railroad will be abolished by such means.

Bills have been introduced in Maine and New Hampshire under which it would be possible to obtain an equitable apportionment of the cost of protecting grade crossings.

The Directors desire to record their commendation of officers and employees for their earnest, loyal efforts on behalf of the railroad throughout the year.

A handwritten signature in dark ink, appearing to read "E. S. Steele", with a long horizontal flourish extending to the left.

President.

February 26, 1935.

CONDENSED GENERAL BALANCE SHEET — Assets

	Dec. 31, 1934	Dec. 31, 1933
ROAD AND EQUIPMENT		
Investment in Road.....	\$186,792,774 05	\$187,119,794 62
Investment in Equipment*.....	57,160,293 50	56,887,072 95
<i>Total</i>	\$243,953,067 55	\$244,006,867 57
Improvements on Leased Railway Property†.....	16,843,211 82	16,472,836 14
Sinking Funds.....	4,548,673 53	4,315,567 80
Deposits in Lieu of Mortgaged Property Sold.....	42,713 17	20,945 98
Miscellaneous Physical Property.....	2,455,487 87	1,244,112 87
Investments in Affiliated Companies.....	5,122,279 55	5,282,967 82
Other Investments.....	2,370,915 81	2,439,172 10
<i>Total Investments</i>	\$275,336,349 30	\$273,782,470 28
CURRENT ASSETS		
Cash.....	\$2,672,147 02	\$3,433,283 65
Cash in Transit — Agents' Remittances.....	259,400 92	271,823 89
Special Deposits.....	152,056 93	93,328 58
Loans and Bills Receivable.....	—	4,700 00
Traffic and Car Service Balances Receivable.....	326,946 88	288,771 31
Net Balance Receivable from Agents and Conductors.....	580,979 79	580,471 21
Miscellaneous Accounts Receivable.....	2,111,548 13	1,772,790 23
Material and Supplies.....	5,052,909 69	4,967,533 21
Interest and Dividends Receivable.....	57,180 00	57,366 10
<i>Total Current Assets</i>	\$11,213,169 36	\$11,470,068 18
DEFERRED ASSETS		
Working Fund Advances.....	\$12,539 22	\$12,674 16
Insurance and Other Funds.....	35,000 00	35,000 00
Other Deferred Assets.....	998,178 32	848,930 59
<i>Total Deferred Assets</i>	\$1,045,717 54	\$896,604 75
UNADJUSTED DEBITS		
Insurance Premiums Paid in Advance.....	\$2,950 76	\$27,397 55
Discount on Funded Debt.....	3,274,437 92	3,409,631 50
Other Unadjusted Debits.....	4,756,982 50	2,250,540 57
Securities Issued or Assumed — Unpledged.....	234,500 00	1,300,500 00
Securities Issued or Assumed — Pledged.....	25,000,000 00	23,120,000 00
<i>Total Unadjusted Debits</i>	\$33,268,871 18	\$30,108,069 62
<i>Grand Total</i>	\$320,864,107 38	\$316,257,212 83

*Does not include equipment acquired from leased roads at inception of leases appraised at \$1,585,000.58.

†Does not include improvements on property of affiliated companies nor on leased roads when leases provide for current settlement.

CONDENSED GENERAL BALANCE SHEET — Liabilities

	Dec. 31, 1934	Dec. 31, 1933
CAPITAL STOCK		
Common Stock — 395,051 Shares.....	\$39,505,100 00	\$39,505,100 00
Preferred Stock — 31,498 Shares.....	3,149,800 00	3,149,800 00
First Preferred Stock — 388,179 Shares.....	38,817,900 00	38,817,900 00
Prior Preference Stock (Includes Negotiable Receipts).....	23,138,500 00	23,138,500 00
<i>Total Capital Stock</i>	<i>\$104,611,300 00</i>	<i>\$104,611,300 00</i>
Stock Liability for Conversion.....	3,000 00	
Premiums on Capital Stock.....	4,227,040 14	4,227,040 14
<i>Total Capital Stock and Premiums</i>	<i>\$108,841,340 14</i>	<i>\$108,838,340 14</i>
LONG TERM DEBT		
Funded Debt Unmatured.....	\$146,776,700 00	\$142,838,900 00
Miscellaneous Obligations.....	3,138,551 14	3,799,634 45
<i>Total Long Term Debt</i>	<i>\$149,915,251 14</i>	<i>\$146,638,534 45</i>
CURRENT LIABILITIES		
Loans and Bills Payable.....	\$13,610,714 15	\$13,812,294 11
Traffic and Car Service Balances Payable.....	1,924,556 17	1,647,538 76
Audited Accounts and Wages Payable.....	1,657,823 10	2,100,206 59
Miscellaneous Accounts Payable.....	388,893 59	233,547 52
Interest Matured Unpaid.....	326,903 25	343,165 75
Dividends Matured Unpaid.....	15,411 81	15,437 81
Funded Debt Matured Unpaid.....	800 00	5,300 00
Unmatured Interest Accrued.....	1,425,410 79	1,412,302 23
Unmatured Rents Accrued.....	182,354 17	184,854 17
<i>Total Current Liabilities</i>	<i>\$19,532,867 03</i>	<i>\$19,754,646 94</i>
DEFERRED LIABILITIES		
Due to Leased Roads at Expiration of Leases.....	\$209,988 70	\$ 209,988 70
Other Deferred Liabilities.....	27,675 51	29,034 81
<i>Total Deferred Liabilities</i>	<i>\$237,664 21</i>	<i>\$239,023 51</i>
UNADJUSTED CREDITS		
Tax Liability.....	\$607,972 50	\$697,144 18
Premium on Funded Debt.....	3,900 60	4,373 40
Insurance and Casualty Reserves.....	1,276,359 75	1,249,765 62
Accrued Depreciation — Road.....	48,989 64	48,989 64
Accrued Depreciation — Equipment.....	25,390,454 50	23,967,582 00
Accrued Depreciation — Miscellaneous Physical Property.....	550,442 15	550,651 61
Other Unadjusted Credits.....	148,994 22	83,100 02
<i>Total Unadjusted Credits</i>	<i>\$28,027,113 36</i>	<i>\$26,601,606 47</i>
CORPORATE SURPLUS		
Additions to Property through Income since June 30, 1907....	\$934,330 25	\$934,719 46
Funded Debt Retired through Income and Surplus.....	1,929,000 00	1,929,000 00
Sinking Fund Reserves.....	4,603,924 12	4,367,590 09
<i>Total Appropriated Surplus</i>	<i>\$7,467,254 37</i>	<i>\$7,231,309 55</i>
Profit and Loss — Balance.....	6,842,617 13	6,953,751 77
<i>Total Corporate Surplus</i>	<i>\$14,309,871 50</i>	<i>\$14,185,061 32</i>
<i>Grand Total</i>	<i>\$320,864,107 38</i>	<i>\$316,257,212 83</i>

BONDS GUARANTEED

The St. Johnsbury and Lake Champlain R. R. Co. First Mortgage 5% Bonds, due March 1, 1944.....	\$1,328,000 00
Concord & Claremont, N. H., R. R. First Mortgage 5% Bonds, due January 1, 1944.....	500,000 00
The Peterborough and Hillsborough R. R. First Mortgage 4½% Bonds due July 1, 1936, owned by Boston and Maine Railroad.....	100,000 00
	\$1,928,000 00

INCOME ACCOUNT

	Year Ended Dec. 31, 1934	Increase or Decrease	Per cent
TRANSPORTATION REVENUE,			
Freight.....	\$29,236,170 19	\$211,980 37	0.73
Passenger.....	6,762,793 52	167,651 10	2.54
Excess Baggage.....	9,968 41	801 00	8.74
Mail.....	1,416,734 37	62,695 79	4.63
Express.....	770,701 85	6,871 28	0.90
Other Passenger Train.....	207,953 72	22,384 47	12.06
Milk.....	1,441,013 56	246,501 14	14.61
Switching.....	519,704 66	20,872 95	4.18
Special Service Train.....	96,452 18	11,195 49	10.40
Other Freight Train.....	25,295 61	1,657 51	6.15
Water Transfers — Freight.....	4,054 84	1,474 62	57.15
<i>Total Transportation Revenue.....</i>	<i>\$40,490,842 91</i>	<i>\$235,377 44</i>	<i>0.58</i>
INCIDENTAL REVENUE,			
Dining and Buffet.....	\$40,848 35	\$4,618 85	12.75
Hotel and Restaurant.....	11,506 49	4,873 84	29.75
Station and Train Privileges.....	159,702 03	19,436 99	13.86
Parcel Room.....	14,216 55	695 40	5.14
Storage — Freight.....	72,315 99	7,602 05	11.75
Storage — Baggage.....	2,702 63	21	0.01
Demurrage.....	143,060 10	20,794 60	17.01
Telegraph and Telephone.....	18,293 10	601 62	3.40
Grain Elevators.....	32,798 38	15,843 60	93.45
Power.....	52,021 98	2,528 15	5.11
Rents of Buildings and Other Property.....	518,357 43	24,081 44	4.44
Miscellaneous.....	492,088 20	6,661 01	1.34
<i>Total Incidental Revenue.....</i>	<i>\$1,557,911 23</i>	<i>\$36,505 18</i>	<i>2.40</i>
Joint Facility — Cr.....	\$109,379 13	\$6,883 94	6.72
Joint Facility — Dr.....	2,520 95	523 72	26.22
<i>Total Joint Facility — Operating Revenue.....</i>	<i>\$106,858 18</i>	<i>\$6,360 22</i>	<i>6.33</i>
<i>Total Operating Revenues.....</i>	<i>\$42,155,612 32</i>	<i>\$278,242 84</i>	<i>0.66</i>
OPERATING EXPENSES,			
Maintenance of Way and Structures.....	\$5,234,020 66	\$349,814 67	7.16
Maintenance of Equipment.....	5,811,919 49	742,971 34	11.33
Traffic.....	713,042 99	12,107 41	1.73
Transportation.....	17,070,663 90	924,329 85	5.72
Miscellaneous Operations.....	105,308 89	14,354 10	15.78
General.....	1,939,302 55	73,608 20	3.66
Transportation for Investment — Cr.....	1,987 93	1,631 25	457.34
<i>Total Operating Expenses.....</i>	<i>\$30,872,270 55</i>	<i>\$482,395 24</i>	<i>1.59</i>
<i>Operating Ratio.....</i>	<i>(73.23%)</i>	<i>(.66%)</i>	<i>0.91</i>
<i>Net Operating Revenue.....</i>	<i>\$11,283,341 77</i>	<i>\$204,152 40</i>	<i>1.78</i>
TAX ACCRUALS.....	\$2,431,775 84	\$131,556 66	5.13
UNCOLLECTIBLE RAILWAY REVENUES.....	30,605 12	29,222 63	—
<i>Total.....</i>	<i>\$2,462,380 96</i>	<i>\$102,334 03</i>	<i>3.99</i>
<i>Operating Income (carried forward).....</i>	<i>\$8,820,960 81</i>	<i>\$101,813 37</i>	<i>1.14</i>

Italics indicate decrease.

INCOME ACCOUNT — *Concluded*

	Year Ended Dec. 31, 1934	Increase or Decrease	Per cent
<i>Operating Income (brought forward)</i>	\$8,820,960 81	\$101,818 37	1.14
Rent from Locomotives.....	32,873 29	17,232 21	110.17
Rent from Passenger Train Cars.....	256,343 96	33,443 77	15.00
Rent from Work Equipment.....	21,951 36	5,062 20	29.97
Joint Facility Rent Income.....	359,788 23	76,369 88	17.51
<i>Total</i>	\$9,491,917 65	\$122,450 07	1.27
Hire of Freight Cars — Debit Balance	\$1,783,924 11	\$99,899 20	5.93
Rent for Locomotives.....	8,191 13	243 79	3.07
Rent for Passenger Train Cars.....	340,163 11	79,904 13	19.02
Rent for Floating Equipment.....	9,432 69	9,432 69	—
Rent for Work Equipment.....	337 46	4,657 49	93.24
Joint Facility Rents.....	456,354 55	27,336 40	6.37
<i>Total</i>	\$2,598,403 05	\$52,350 46	2.06
<i>Net Railway Operating Income</i>	\$6,893,514 60	\$174,800 53	2.47
<i>Miscellaneous Operating Income</i>	—	\$8,728 02	—
<i>Total Operating Income</i>	\$6,893,514 60	\$166,072 51	2.35
OTHER INCOME,			
Income from Lease of Road.....	\$318,880 00	\$5,500 00	1.76
Miscellaneous Rent Income.....	325,510 34	14,204 84	4.18
Miscellaneous Nonoperating Physical Property.....	17,133 55	2,187 00	14.63
Separately Operated Properties — Profit.....	6,776 45	6,776 45	—
Dividend Income.....	94,251 00	39,868 00	73.31
Income from Funded Securities.....	22,242 86	2,265 20	9.24
Income from Unfunded Securities and Accounts	170,069 64	94,551 36	35.73
Income from Sinking and Other Reserve Funds	49,225 50	5,607 29	12.86
Release of Premiums on Funded Debt.....	472 80	71 62	13.16
Miscellaneous Income.....	25,583 01	10,141 14	28.39
<i>Total Other Income</i>	\$1,030,145 15	\$61,295 42	5.62
<i>Total Income</i>	\$7,923,659 75	\$227,367 93	2.79
OTHER DEDUCTIONS FROM INCOME,			
Rent for Leased Roads.....	\$1,240,084 52	\$3,126 45	0.25
Miscellaneous Rents.....	6,671 94	168 00	2.58
Miscellaneous Tax Accruals.....	23,127 27	23,127 27	—
Interest on Funded Debt*.....	5,580,604 62	169,605 73	2.95
Interest on Unfunded Debt.....	649,256 50	49,476 85	7.08
Amortization of Discount on Funded Debt	118,447 93	235 82	0.20
Miscellaneous Income Charges.....	11,974 48	140 12	1.16
<i>Total Other Deductions</i>	\$7,630,167 26	\$199,289 70	2.55
<i>Net Income</i>	\$293,492 49	\$28,078 23	8.73
Income Applied to Sinking Funds.....	\$211,478 80	\$13,856 82	7.01
<i>Total Appropriations of Net Income</i>	\$211,478 80	\$13,856 82	7.01
<i>Balance Transferred to Profit and Loss</i>	\$82,013 69	\$41,935 05	33.83

*Interest amounting to \$163,740.80 for 1934 and \$155,491.27 for 1933 accrued on bonds of Boston and Maine Railroad held in Sinking Fund is included in account "Income Applied to Sinking Funds."

Italics indicate decrease.

OPERATING EXPENSES

	Year Ended Dec. 31, 1934	Increase or Decrease
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence.....	\$379,539 66	\$3,313 03
Roadway Maintenance.....	382,225 81	7,913 10
Tunnels and Subways.....	26,228 98	15,573 77
Bridges, Trestles and Culverts.....	234,554 81	12,144 72
Ties.....	539,167 37	52,638 68
Rails.....	112,806 53	39,945 41
Other Track Material.....	237,988 35	22,535 11
Ballast.....	30,337 80	5,213 26
Track Laying and Surfacing.....	1,034,938 68	3,364 23
Right-of-Way Fences.....	14,747 96	5,379 68
Snow and Sand Fences and Snowsheds.....	275 88	918 62
Crossings and Signs.....	201,558 86	5,411 84
Station and Office Buildings.....	279,675 96	23,713 79
Roadway Buildings.....	25,329 02	3,445 75
Water Stations.....	39,750 65	1,893 75
Fuel Stations.....	28,702 59	1,285 87
Shops and Enginehouses.....	149,133 22	5,642 59
Grain Elevators.....	6,055 24	1,644 34
Storage Warehouses.....	826 66	105 49
Wharves and Docks.....	20,490 51	17,342 14
Coal and Ore Wharves.....	50,481 03	10,947 50
Gas Producing Plants.....		564 70
Telegraph and Telephone Lines.....	32,125 91	12,303 95
Signals and Interlockers.....	448,849 24	11,713 92
Power Plant Buildings.....	3,746 63	1,720 55
Power Substation Buildings.....	665 64	266 48
Power Transmission Systems.....	8,478 35	1,471 99
Power Distribution Systems.....	23,563 33	1,213 10
Power Line Poles and Fixtures.....	9,899 39	44 08
Miscellaneous Structures.....	951 16	255 19
Roadway Machines.....	82,833 64	32,726 40
Small Tools and Supplies.....	110,355 04	46,356 62
Removing Snow, Ice and Sand.....	444,290 92	159,981 97
Assessments for Public Improvements.....	41 61	88 95
Injuries to Persons.....	64,247 59	18,768 27
Insurance.....	44,993 12	695 14
Stationery and Printing.....	7,793 07	2,669 86
Other Expenses.....	100 24	57 20
Maintaining Joint Tracks, Yards and Other Facilities—Dr.....	208,629 08	42,409 94
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	52,358 87	31,411 11
<i>Total Maintenance of Way and Structures.....</i>	<i>\$5,234,020 66</i>	<i>\$349,814 67</i>
MAINTENANCE OF EQUIPMENT		
Superintendence.....	\$281,366 29	\$895 08
Shop Machinery.....	108,908 84	36,518 23
Power Plant Machinery.....	35,994 32	2,099 79
Power Substation Apparatus.....	2,426 88	1,053 90
Steam Locomotives — Repairs.....	2,037,733 44	404,522 20
Steam Locomotives — Depreciation.....	688,088 11	21,144 09
Steam Locomotives — Retirements.....	3,882 76	19,006 42
Other Locomotives — Repairs.....	46,966 90	23 56
Other Locomotives — Depreciation.....	12,011 71	64 93
<i>Maintenance of Equipment (carried forward)</i>	<i>\$3,217,379 25</i>	<i>\$481,300 38</i>

Italics indicate decrease.

OPERATING EXPENSES —Continued

	Year Ended Dec. 31, 1934	Increase or Decrease
MAINTENANCE OF EQUIPMENT—Concluded		
<i>Brought Forward</i>	\$3,217,379 25	\$481,300 38
Freight-Train Cars — Repairs.....	665,432 11	153,554 34
Freight-Train Cars — Depreciation.....	607,744 41	4,983 42
Freight-Train Cars — Retirements.....	107,189 99	51,350 28
Passenger-Train Cars — Repairs.....	556,324 25	207,559 18
Passenger-Train Cars — Depreciation.....	240,071 03	992 63
Passenger-Train Cars — Retirements.....	6,270 96	2,606 60
Motor Equipment of Cars — Repairs.....	61,156 85	1,477 95
Motor Equipment of Cars — Depreciation.....	—	31,709 88
Floating Equipment — Repairs.....	—	267 81
Floating Equipment — Depreciation.....	101 68	203 36
Work Equipment — Repairs.....	143,386 98	46,661 10
Work Equipment — Depreciation.....	52,152 90	2,294 62
Work Equipment — Retirements.....	7,645 54	443 92
Miscellaneous Equipment — Repairs.....	14,490 69	4,398 82
Miscellaneous Equipment — Depreciation.....	3,522 22	883 32
Miscellaneous Equipment — Retirements.....	126 26	88 40
Injuries to Persons.....	56,843 00	24,447 14
Insurance.....	24,270 82	1,235 61
Stationery and Printing.....	6,883 20	1,949 25
Other Expenses.....	2,031 37	933 51
Maintaining Joint Equipment at Terminals — <i>Dr.</i>	42,497 96	2,486 36
Maintaining Joint Equipment at Terminals — <i>Cr.</i>	3,349 46	235 76
<i>Total Maintenance of Equipment</i>	\$5,811,919 49	\$742,971 34
TRAFFIC		
Superintendence.....	\$304,620 70	\$7,495 99
Outside Agencies.....	246,821 30	7,255 30
Advertising.....	76,602 51	13,937 46
Traffic Associations.....	20,681 62	989 99
Industrial and Immigration Bureaus.....	11,296 53	3,795 24
Insurance.....	218 90	19 01
Stationery and Printing.....	52,661 47	714 31
Other Expenses.....	139 96	39 21
<i>Total Traffic</i>	\$713,042 99	\$12,107 41
TRANSPORTATION		
Superintendence.....	\$440,737 65	\$18,507 63
Dispatching Trains.....	169,655 71	10,889 08
Station Employees.....	2,571,079 16	31,526 35
Weighing, Inspection and Demurrage Bureaus.....	11,879 40	9,545 58
Coal and Ore Wharves.....	97,739 87	6,844 52
Station Supplies and Expenses.....	283,253 82	28,888 19
Yardmasters and Yard Clerks.....	395,244 01	12,576 16
Yard Conductors and Brakemen.....	815,314 02	32,929 35
Yard Switch and Signal Tenders.....	162,114 68	10,650 72
Yard Enginemen.....	510,909 25	11,434 62
Yard Motormen.....	1,698 63	1,698 63
Fuel for Yard Locomotives.....	438,718 91	56,569 48
Water for Yard Locomotives.....	17,638 40	543 24
Lubricants for Yard Locomotives.....	9,582 19	1,169 89
Other Supplies for Yard Locomotives.....	6,613 68	1,237 59
Enginehouse Expenses — Yard.....	110,972 11	7,383 47
Yard Supplies and Expenses.....	52,922 78	3,826 87
Operating Joint Yards and Terminals — <i>Dr.</i>	877,233 03	39,732 39
Operating Joint Yards and Terminals — <i>Cr.</i>	167,111 93	3,066 06
Train Enginemen.....	1,601,524 96	56,163 26
Train Motormen.....	84,477 66	1,691 00
Fuel for Train Locomotives.....	2,563,852 66	375,007 69
Train Power Purchased.....	120,632 95	107 66
<i>Transportation (carried forward)</i>	\$11,176,683 60	\$690,958 55

Italics indicate decrease.

OPERATING EXPENSES — *Concluded*

	Year Ended Dec. 31, 1934	Increase or Decrease
TRANSPORTATION—<i>Concluded</i>		
<i>Brought forward</i>	\$11,176,683 60	\$690,958 55
Water for Train Locomotives.....	134,809 30	16,256 31
Lubricants for Train Locomotives.....	62,240 63	<i>2,524 92</i>
Other Supplies for Train Locomotives.....	42,580 30	7,160 95
Enginehouse Expenses — Train.....	566,869 49	11,147 68
Trainmen.....	2,038,006 31	60,763 51
Train Supplies and Expenses.....	693,359 78	52,792 71
Signal and Interlocker Operation.....	481,310 09	507 24
Crossing Protection.....	621,011 80	3,190 07
Drawbridge Operation.....	22,402 73	<i>1,454 25</i>
Telegraph and Telephone Operation.....	39,722 91	1,898 77
Operating Floating Equipment.....	4,955 59	1,549 97
Stationery and Printing.....	94,547 58	24,535 46
Other Expenses.....	616,421 95	11,295 99
Operating Joint Tracks and Facilities — <i>Dr.</i>	22,435 92	<i>365 61</i>
Operating Joint Tracks and Facilities — <i>Cr.</i>	38,484 86	<i>2,027 56</i>
Insurance.....	16,442 35	<i>740 92</i>
Clearing Wrecks.....	29,167 95	11,962 72
Damage to Property.....	25,589 44	4,904 01
Damage to Live Stock on Right-of-Way.....	1,466 13	<i>113 49</i>
Loss and Damage — Freight.....	170,342 19	30,350 15
Loss and Damage — Baggage.....	1,980 81	1,209 99
Injuries to Persons.....	246,801 91	<i>2,982 60</i>
<i>Total Transportation</i>	\$17,070,663 90	\$924,329 85
MISCELLANEOUS OPERATIONS		
Dining and Buffet Service.....	\$74,723 66	\$10,613 60
Hotels and Restaurants.....	14,265 06	<i>2,853 27</i>
Grain Elevators.....	16,138 97	8,176 35
Other Miscellaneous Operations.....	181 20	<i>1,582 58</i>
<i>Total Miscellaneous Operations</i>	\$105,308 89	\$14,354 10
GENERAL		
Salaries and Expenses of General Officers.....	\$170,310 71	\$2,023 86
Salaries and Expenses of Clerks and Attendants.....	1,125,847 68	23,842 93
General Office Supplies and Expenses.....	99,556 06	2,129 70
Law Expenses.....	115,065 42	<i>57,556 90</i>
Insurance.....	719 96	<i>818 78</i>
Pensions.....	300,936 28	<i>110 14</i>
Stationery and Printing.....	46,488 29	2,486 76
Valuation Expenses.....	41,119 76	<i>1,796 37</i>
Other Expenses.....	21,638 14	<i>37,232 47</i>
General Joint Facilities — <i>Dr.</i>	18,029 35	<i>2,250 77</i>
General Joint Facilities — <i>Cr.</i>	409 10	278 30
<i>Total General</i>	\$1,939,302 55	\$73,608 20
Transportation for Investment — <i>Cr.</i>	\$1,987 93	\$1,631 25
<i>Total Operating Expenses</i>	\$30,872,270 55	\$482,395 24
<i>Ratio to Total Operating Revenues</i>	(73.23%)	(.66%)

Italics indicate decrease.

Dr.	PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1934	Cr.
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Loss on Retired Road and Equipment.....			
Adjustment of Miscellaneous Accounts.....			
Balance, December 31, 1934.....			
	\$202,465 73	Balance, December 31, 1933.....	\$6,953,751 77
	31,168 61	Credit Balance from Income Account for Year 1934	82,013 69
		Unrefundable Overcharges.....	13,893 39
		Profit on Road and Equipment Sold.....	26,592 62
			<u>\$7,076,251 47</u>
		Balance to next year's account.....	<u>\$6,842,617 13</u>

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1934

Road

1	Engineering.....	\$ 22,075	85
2	Land for Transportation Purposes.....	54,162	20
3	Grading.....	412,562	41
6	Bridges, Trestles and Culverts.....	198,601	31
8	Ties.....	85,804	99
9	Rails.....	85,625	66
10	Other Track Material.....	277,610	21
11	Ballast.....	32,575	31
12	Track Laying and Surfacing.....	55,091	43
13	Right-of-Way Fences.....	40,210	87
15	Crossings and Signs.....	47,014	65
16	Station and Office Buildings.....	29,189	54
17	Roadway Buildings.....	1,163	03
18	Water Stations.....	14,196	23
19	Fuel Stations.....	352	15
20	Shops and Enginehouses.....	2,524	97
21	Grain Elevators.....	1,403	01
23	Wharves and Docks.....	20,236	75
24	Coal and Ore Wharves.....	7,159	76
26	Telegraph and Telephone Lines.....	4,027	75
27	Signals and Interlockers.....	521,404	29
31	Power Transmission Systems.....	15,739	42
32	Power Distribution Systems.....	809	19
33	Power Line Poles and Fixtures.....	164	94
35	Miscellaneous Structures.....	85	57
37	Roadway Machines.....	11,010	40
38	Roadway Small Tools.....	1,028	18
39	Assessments for Public Improvements.....	1,127	00
44	Shop Machinery.....	5,144	50

Equipment

51	Steam Locomotives.....	\$503,053	91
52	Other Locomotives.....	74,930	79
53	Freight Train Cars.....	39,840	92
54	Passenger Train Cars.....	41,563	10
55	Motor Equipment of Cars.....	846	26
57	Work Equipment.....	24,703	36
58	Miscellaneous Equipment.....	13,248	63
			<hr/>
		698,186	97

General Expenditures

71	Organization Expenses.....	\$69,691	32
73	Law.....	41	80
76	Interest during Construction.....	28,635	24
77	Other Expenditures — General.....	140	00
			<hr/>
		98,508	36

<i>Total.....</i>		<i>\$918,681</i>	<i>18</i>
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Credit:

Equipment Retired.....	\$424,966	42	
Land Sold and Property Retired.....	169,020	55	593,986 97
			<hr/>

Net Charge to Additions and Betterments.....		\$324,694	21
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Distributed as follows:

Credited to Capital Accounts.....	\$ 53,800	02	
Charged to Leased Roads.....	378,494	23	\$324,694 21

Italics indicate credit.

NAME OF ROAD AND DESCRIPTION		CAPITAL STOCK	
		Amount Outstanding	Dividend * Rate
Boston and Maine Prior Preference.....		\$23,131,900 00	7 %
Negotiable Receipts		6,600 00	
First Preferred, Class A.....		18,860,000 00	5 %
Class B.....		7,648,800 00	8 %
Class C.....		7,917,100 00	7 %
Class D.....		4,327,000 00	10 %
Class E.....		65,000 00	4½ %
Preferred.....		3,149,800 00	6 %
Common.....		39,505,100 00	
Total Capital Stock.....		\$104,611,300 00	

First Preferred Stock		
(Cumulative Dividends unpaid since Oct. 1, 1931)		
Class A — \$16.25 per share	Total	\$3,064,750 00
Class B — \$26.00 " "	"	\$1,988,688 00
Class C — \$22.75 " "	"	\$1,799,593 25
Class D — \$32.50 " "	"	\$1,406,275 00
Class E — \$14.825 " "	"	\$ 9,506 25

Boston and Maine		First	Mortgage, W. N. & R. R. R.					
00	00	00	General	Boston & Lowell	\$150,000 00	Jan.	1, 1935	4
00	00	00	00	Sinking Fd. Improvement	1,250,000 00	Mar.	1, 1936	5
00	00	00	00	Fitchburg	1,919,000 00	Feb.	1, 1937	4
00	00	00	00	P., Gt. F. & C. R. R.	5,000,000 00	Feb.	1, 1937	4
00	00	00	First	Series Q	1,000,000 00	June	1, 1937	4 1/2
00	00	00	General	Series Q	329,000 00	Feb.	2, 1940	5
00	00	00	00	R	2,787,000 00	May	1, 1940	5
00	00	00	00	S	500,000 00	Sept.	1, 1940	5
00	00	00	00	T	6,641,000 00	Sept.	1, 1941	5
00	00	00	00	U	500,000 00	Nov.	1, 1941	5
00	00	00	00	V	1,968,000 00	Mar.	1, 1942	5
00	00	00	00	W	1,670,000 00	Apr.	1, 1942	5
00	00	00	00	X	184,000 00	July	1, 1942	5
00	00	00	00		2,500,000 00	Aug.	1, 1942	5
00	00	00	00	Series Y	958,000 00	Jan.	1, 1943	5
00	00	00	00	Z	1,541,000 00	May	1, 1943	5
00	00	00	00	Connecticut River	1,000,000 00	Sept.	1, 1943	4
00	00	00	00		6,000,000 00	Jan.	1, 1944	4 1/2
00	00	00	00	Series AA	7,053,000 00	Apr.	1, 1944	5
00	00	00	00	BB	170,000 00	Apr.	1, 1944	5
00	00	00	00	CC	612,000 00	Jan.	1, 1945	5
00	00	00	00	DD	2,108,500 00	June	1, 1945	5
00	00	00	00	EE	507,000 00	Jan.	1, 1946	5
00	00	00	00	FF	804,000 00	Jan.	1, 1947	5
00	00	00	00	GG	375,000 00	Apr.	1, 1947	5
00	00	00	00		5,454,000 00	July	1, 1950	3
00	00	00	00	Series KK**	7,500,000 00	Mar.	1, 1952	5
00	00	00	00	II	15,000,000 00	May	1, 1955	5
00	00	00	00	JJ	13,943,000 00	Apr.	1, 1961	4 1/2
00	00	00	00	LL**	17,500,000 00	June	1, 1962	6
00	00	00	00	AC	30,942,000 00	Sept.	1, 1967	5

Boston and Maine	Equipment Trust of 1920 Gold Notes.....	\$454,200 00	Jan. 15, 1935	6 %
" " "	Equipment Trust of 1922 Gold Certificates.....	363,000 00	Aug. 1, 1935-'37	5½ %
" " "	Equipment Trust No. 3 Gold Certificates.....	564,000 00	June 1, 1935-'38	6 %
" " "	Equipment Trust No. 4 Gold Certificates.....	1,125,000 00	Apr. 1, 1935-'43	4½ %
" " "	Equipment Trust No. 5 Gold Certificates.....	1,140,000 00	May 1, 1935-'44	5 %
" " "	Equipment Trust No. 6 Trust Certificates.....	575,000 00	June 1, 1935-'49	4 %

Boston and Maine Collateral Notes Series A.....	\$910,000 00	Sept. 15, 1935-'44	4	%
" " " " " " B.....	2,230,000 00	Sept. 15, 1935-'44	4	%
" " " " " " C.....	1,550,000 00	June 1, 1935-'43	4	%

Boston and Maine Contract Pullman — Standard Car Manuf. Co.	\$2,929,917 89	Dec. 1935-'37	5-5 1/2 %
" " " " " " " " " " " "	83,070 47	Mar. 1935-'37	5 %
" " " " N. Y. State E.G.C. Hoosick, N. Y.	52,637 28	July 19, 1982	4 %
" " " " " " " " " " " "	10,981 88	Oct. 5, 1984	4 %
" " " " " " " " " " " "	6,516 80	July 26, 1984	4 %
" " " " " " " " " " " "	55,426 82	Oct. 17, 1984	4 %

<i>Grand Total Funded Debt</i>	\$149,915,251 14
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CAPITAL STOCK AND FUNDED DEBT OUTSTANDING

DECEMBER 31, 1934

Leased Roads

NAME OF ROAD AND DESCRIPTION	CAPITAL STOCK	
	Amount Outstanding	Dividend Rate (Paid as rental)
Nashua and Lowell.....	\$800,000 00	9 %
Stony Brook.....	300,000 00	7 %
Wilton.....	240,000 00	8½ %
Peterborough.....	385,000 00	4 %
New Boston.....	84,000 00	4 %
Concord and Portsmouth.....	350,000 00	7 %
Pemigewasset Valley.....	541,500 00	6 %
Northern.....	3,068,400 00	6 %
Vermont and Massachusetts.....	3,193,000 00	6 %
Troy and Bennington.....	150,800 00	10 %
Connecticut and Passumpsic Rivers — Preferred.....	2,500,000 00	6 %
Massawippi Valley.....	800,000 00	6 %
Vermont Valley.....	1,000,000 00	—
Sullivan County.....	500,000 00	—
Franklin & Tilton.....	265,600 00	—
Peterborough and Hillsborough.....	45,000 00	—
Newport & Richford.....	350,000 00	—
Concord & Claremont, N. H.....	412,400 00	—
<i>Total Capital Stock.....</i>	<i>\$14,985,700 00</i>	

FUNDED DEBT

	Bonds Outstanding	Date of Maturity	Rate
Peterborough and Hillsborough.....First Mortgage	\$100,000 00	July 1, 1936	4½ %
Peterborough and Hillsborough.....Second Mortgage	65,000 00	Apr. 30, 1887	No interest
Newport & Richford.....First Mortgage	350,000 00	Jan. 1, 1941	5 %
Connecticut and Passumpsic Rivers.....First Mortgage	1,900,000 00	Apr. 1, 1943	4 %
Concord & Claremont, N. H.....First Mortgage	500,000 00	Jan. 1, 1944	5 %
Vermont Valley.....First Mortgage	1,500,000 00	Oct. 1, 1940	4½ %
Sullivan County.....First Mortgage	357,000 00	Apr. 1, 1944	6 %
<i>Total Funded Debt.....</i>	<i>\$4,772,000 00</i>		

MILES OF ROAD OPERATED, DECEMBER 31, 1934

	Owmed	Leased	Total
STEAM ROADS			
Main Lines.....	968 43	231 01	1,199 44
Branch Lines.....	526 76	216 10	742 86
Trackage Rights.....		95 82	95 82
<i>Total Road Operated.....</i>	<i>1,495 19</i>	<i>542 93</i>	<i>2,038 12</i>
Second Track.....	467 16	(A) 136 34	603 50
Third Track.....	4 40	(B) 5 53	9 93
Side Tracks.....	1,204 55	206 72	1,411 27
<i>Total Track Operated.....</i>	<i>3,171 30</i>	<i>891 52</i>	<i>4,062 82</i>

A Includes trackage rights, 20.87 miles.

B Includes trackage rights, .99 mile.

TRAFFIC AND OPERATING STATISTICS

	Year Ended Dec. 31, 1934	Increase or Decrease
FREIGHT		
Tons of revenue freight carried.....	14,096,371	935,410
Tons of company freight carried.....	1,410,372	374,634
<i>Total tons of freight carried.....</i>	<i>15,506,743</i>	<i>1,310,044</i>
Tons of revenue freight carried one mile.....	1,976,103,728	135,818,318
Tons of company freight carried one mile.....	159,494,618	69,849,430
<i>Total tons of freight carried one mile.....</i>	<i>2,135,598,346</i>	<i>205,667,748</i>
AVERAGES		
Average miles hauled — revenue freight.....	140.19	.36
Average miles hauled — non-revenue freight.....	113.09	26.54
Average miles hauled — all freight.....	137.72	1.78
Tons of revenue freight per revenue train mile (including mixed service).....	628.82	15.98
Tons of all freight per revenue train mile (including mixed service).....	679.57	36.88
*Tons of revenue freight per loaded car mile (including mixed service).....	18.91	.31
*Tons of all freight per loaded car mile (including mixed service).....	20.43	.93
*Freight cars per revenue train mile (including mixed service).....	49.30	.37
*Loaded cars per revenue train mile (including mixed service).....	33.26	.93
*Empty cars per revenue train mile (including mixed service).....	16.04	.06
Revenue per ton of freight.....	\$2.07402	<i>\$.19130</i>
Revenue per ton per mile..... (cents)	1.479	.098
Revenue per revenue train mile (including mixed service).....	\$9.303	<i>\$.368</i>
*Freight revenue per loaded car mile (including mixed service)..... (cents)	27.975	<i>1.558</i>
PASSENGER		
Passenger Revenue:		
Monthly commutation ticket passengers.....	\$745,400 39	<i>\$39,892 64</i>
All other commutation ticket passengers.....	1,230,391 41	<i>1,377 86</i>
Single fare ticket passengers (not including interline).....	2,855,930 43	135,209 41
Interline ticket passengers.....	1,800,302 89	61,429 97
Number of Passengers Carried:		
Monthly commutation ticket passengers.....	3,651,888	<i>185,895</i>
All other commutation ticket passengers.....	7,558,999	95,159
Single fare ticket passengers (not including interline).....	3,998,741	369,266
Interline ticket passengers.....	715,330	46,362
<i>Total number of passengers carried.....</i>	<i>15,924,958</i>	<i>324,892</i>
Number of Passengers carried one mile:		
Monthly commutation ticket passengers.....	78,714,897	<i>4,589,351</i>
All other commutation ticket passengers.....	68,625,448	267,509
Single fare ticket passengers (not including interline).....	104,639,722	13,446,329
Interline ticket passengers.....	63,800,564	3,437,792
<i>Total number of passengers carried one mile.....</i>	<i>315,780,631</i>	<i>12,562,279</i>
Number of passengers to and from Boston, including monthly ticket passengers.....	14,461,560	350,592
AVERAGES		
Average distance carried per passenger (miles).....	19.83	.39
Number of passengers per train mile (including mixed service).....	44.49	2.67
Number of passengers per car mile (including mixed service).....	15.05	.59
Number of cars per train mile (including mail, baggage and express cars) (including mixed service).....	5.24	.03
Revenue per passenger.....	42.47	.19
Revenue per passenger mile, monthly commutation ticket passengers..... (cents)	1.947	.004
Revenue per passenger mile, other commutation ticket passengers..... (cents)	1.793	.009
Revenue per passenger mile, single-fare not including interline..... (cents)	2.729	.254
Revenue per passenger mile, interline passengers..... (cents)	2.822	.058
Revenue per passenger mile, all passengers.....	2.142	.093
Passenger revenue per passenger car mile (including mixed service)..... (cents)	32.229	.775
Total passenger service train revenue per train mile (including mixed service).....	\$ 1.495	<i>\$.034</i>
AVERAGES PER MILE OF ROAD		
Operating revenue.....	\$20,595 46	\$474 78
Operating expense.....	15,082 89	481 57
Net operating revenue.....	\$5,512 57	<i>\$6.79</i>
Freight revenue.....	\$14,441 97	\$300 80
Passenger service train revenue.....	5,957 46	177 55
Ton miles revenue freight.....	976,148	79,524
Ton miles all freight.....	1,054,934	114,633
Passenger miles — revenue.....	177,323	11,912
Freight train miles.....	1,507	96
Passenger train miles.....	3,927	21
Mixed train miles.....	96	1
Special train miles.....	16	1
Train miles — total revenue.....	5,020	76
Work train miles.....	118	71
Locomotive miles — excluding work service.....	6,298	131
Freight service car miles (including mixed and special service).....	78,121	4,999
Passenger service car miles (including mixed and special service).....	20,944	241

*Does not include Caboose Car Mileage.

**Includes Sleeping and Parlor Car surcharge.

†Includes "Exclusive work equipment."

Italics indicate decrease.

TRAFFIC AND OPERATING STATISTICS—*Concluded*

	Year Ended Dec. 31, 1934	Increase or Decrease
AVERAGES PER REVENUE TRAIN MILE		
Operating revenues.....	\$4.10	\$.03
Operating expenses.....	3.00	.05
Net operating revenue.....	\$1.10	\$.02
Loaded freight car miles — freight trains.....	33.83	.60
Loaded freight car miles — mixed trains.....	6.76	6.92
Empty freight car miles — freight trains.....	16.31	.03
Empty freight car miles — mixed trains.....	2.47	1.02
Passenger train car miles — passenger trains.....	5.10	.11
Passenger train car miles — mixed trains.....	7.52	3.02
AVERAGES PER REVENUE LOCOMOTIVE MILE		
Train miles — freight trains.....	.81	—
Car miles — freight trains.....	41.38	.30
Train miles — passenger trains.....	.95	—
Car miles — passenger trains.....	5.26	.13
Train miles — mixed trains.....	.97	.07
Car miles — mixed trains.....	16.84	8.96
Train miles — special trains.....	.95	.04
Car miles — special trains.....	4.47	.14
*LOCOMOTIVE MILEAGE		
Freight service.....	3,773,880	207,658
Passenger service.....	6,576,196	177,482
Mixed service.....	203,312	14,719
Special service.....	35,120	1,897
Train switching.....	360,760	9,942
Yard switching.....	1,941,017	31,257
Work service.....	279,761	140,385
Total locomotive miles.....	13,170,046	195,144
TRAIN MILEAGE		
Freight service.....	3,049,750	153,066
Passenger service.....	6,993,750	167,042
Mixed service**.....	197,452	521
Special service.....	33,343	2,196
Work service.....	242,343	145,110
Total train miles.....	10,516,638	129,459
CAR MILEAGE		
Freight-Train car Miles:		
Loaded.....	103,173,028	6,921,230
Empty.....	49,750,856	2,581,551
Exclusive work equipment.....	160,953	24,883
Caboose.....	3,092,846	159,578
Total freight train car miles.....	156,177,683	9,687,242
Passenger-Train Car Miles:		
Passenger.....	16,937,383	35,995
Sleeping and parlor.....	3,862,230	41,025
Dining.....	275,785	46,592
Other.....	14,611,203	26,431
Total passenger-train car miles.....	35,686,601	56,859
Mixed-Train Car Miles:		
Freight — Loaded.....	1,335,116	1,359,381
Freight — Empty.....	487,146	200,395
Exclusive work equipment.....	4,074	1,174
Caboose.....	113,574	62,127
Passenger carrying.....	184,700	93,057
Other passenger.....	1,299,308	684,165
Total mixed-train car miles.....	3,423,918	2,201,835
Special-Train Car Miles:		
Freight service.....	30,723	8,295
Passenger service.....	126,269	7,653
Total special-train car miles.....	156,992	16,948
Total transportation service.....	195,445,194	7,413,600

*Includes 235,876 electric locomotive miles, 14,274 tractor locomotive miles and 13,461 Diesel locomotive miles.

**Proportioned to Freight and Passenger Service, in computing Train Mile Statistics, on basis of freight and passenger car miles in mixed trains.

Italics indicate decrease.

The figures and tables used in this report are
from the official records of the Railroad as reported
to the Interstate Commerce Commission.
